GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1761
ANSWERED ON:01.08.2003
JAPANESE INVESTMENT
IQBAL AHMED SARADGI

Will the Minister of FINANCE be pleased to state:

(a) whether the State Government of Karnataka has invited Japanese direct investment in Karnataka;

(b) if so, whether India is one of the few countries registering economic growth despite world-wide recession;

(c) if so, to what extent Japan has agreed for more investment particularly in Karnataka;

(d) whether any agreement in this regard has been reached; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a), (c) to (e): The location of Foreign Direct Investment (FDI) is determined by the commercial judgementof the foreign investors, based on the policy, economic and business environment. According to Joint Survey conducted by Confederation of Indian Industry and the World Bank on `Competitiveness of Indian Manufacturing` in terms of investmentclimate, Andhra Pradesh, Karnataka and Tamil Nadu have been categorised as `good investment climate` states. FDI in Karnataka has primarily been received from Mauritius, USA, Germany, Japan and Sweden. In terms of FDI inflows during the last three years the state ranked fourth.

(b) : India is among the countries which have avoided the downward trend in world FDI flows and is registeringconsistent economic growth.